

AMENDED IN ASSEMBLY APRIL 23, 1998

AMENDED IN ASSEMBLY APRIL 2, 1998

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 2035

Introduced by Assembly Member Cardenas

February 18, 1998

An act to amend Sections 14524, 14525, 14526, 14529, 14529.8, 14530.1, 65082, and 65086.5 of, and to repeal Chapter 4 (commencing with Section 14550) of Part 5.3 of Division 3 of Title 2 of, the Government Code, to amend Section 99317 of the Public Utilities Code, and to amend Sections 164, 188.8, and 188.10 of, to add Section 32 to, and to repeal Section 164.1 of, the Streets and Highways Code, relating to transportation, *and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2035, as amended, Cardenas. Transportation: funding.

(1) ~~Existing law defines various terms for purposes of the Streets and Highways Code.~~

~~This bill would define “commuter passenger rail,” “intercity rail,” and “urban rail transit” for purposes of the state transportation improvement program. Existing law requires the Department of Transportation to submit to the California Transportation Commission, as specified, a 4-year estimate in annual increments of all federal and state funds reasonably expected to be available for transportation capital~~

improvement projects. Existing law requires the commission, as specified, to adopt a 4-year estimate in annual increments of all state and federal funds reasonably expected to be available for transportation capital improvement projects.

This bill would require that federal funds that are only available to local government for demonstration projects not be included in the revenue estimates, and that federal funds available to the state, or to the state and local governments, for demonstration projects be included in the revenue estimates.

(2) Existing law requires certain public transit capital improvement funds to be appropriated to the Department of Transportation for allocation as directed by the California Transportation Commission to fund specified types of transit capital improvement projects.

This bill would require those funds to fund public transit capital improvement projects that maintain or improve public transit service.

(3) The bill would make other, technical changes in existing law relating to transportation.

(4) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 14524 of the Government Code
2 is amended to read:

3 14524. (a) Not later than January 5, 1998, and July 15
4 of each odd-numbered year thereafter, the department
5 shall submit to the commission a four-year estimate
6 pursuant to Section 164 of the Streets and Highways
7 Code, in annual increments, of all federal and state funds
8 reasonably expected to be available during the following
9 four fiscal years.

10 (b) The estimate shall specify the amount that may be
11 programmed in each county for regional improvement
12 programs pursuant to paragraph (2) of subdivision (a) of
13 Section 164 of the Streets and Highways Code and shall

1 identify any statutory restriction on the use of particular
2 funds.

3 (c) For the purpose of estimating revenues, the
4 department shall assume that there will be no changes in
5 existing state and federal statutes. *Federal funds that are*
6 *only available to local government for demonstration*
7 *projects shall not be included in the revenue estimate.*
8 *Federal funds for demonstration projects available to the*
9 *state, or to the state and local governments, shall be*
10 *included in the revenue estimate.*

11 (d) The method by which the estimate is determined
12 shall be determined by the commission, in consultation
13 with the department, transportation planning agencies,
14 and county transportation commissions.

15 *SEC. 2. Section 14525 of the Government Code is*
16 *amended to read:*

17 14525. (a) Not later than January 5, 1998, and August
18 15 of each odd-numbered year thereafter, the
19 commission shall adopt a four-year estimate pursuant to
20 Section 164 of the Streets and Highways Code, in annual
21 increments, of all state and federal funds reasonably
22 expected to be available during the following four fiscal
23 years.

24 (b) The estimate shall specify the amount that may be
25 programmed in each county for regional improvement
26 programs under paragraph (2) of subdivision (a) of
27 Section 164 of the Streets and Highways Code and shall
28 identify any statutory restriction on the use of particular
29 funds.

30 (c) For the purpose of estimating revenues, the
31 commission shall assume that there will be no change in
32 existing state and federal statutes. *Federal funds that are*
33 *only available to local government for demonstration*
34 *projects shall not be included in the revenue estimate.*
35 *Federal funds for demonstration projects available to the*
36 *state, or to the state and local governments, shall be*
37 *included in the revenue estimate.*

38 (d) If the commission finds that legislation pending
39 before the Legislature or the United States Congress may
40 have a significant impact on the fund estimate, the

1 commission may postpone the adoption of the fund
2 estimate for no more than 90 days. Prior to March 1 of
3 each even-numbered year, the commission may amend
4 the estimate following consultation with the department,
5 transportation planning agencies, and county
6 transportation commissions to account for unexpected
7 revenues or other unforeseen circumstances. In the event
8 the fund estimate is amended, the commission shall
9 extend the dates for the submittal of improvement
10 programs as specified in Sections 14526 and 14527 and for
11 the adoption of the state transportation improvement
12 program pursuant to Section 14529.

13 *SEC. 3.* Section 14526 of the Government Code is
14 amended to read:

15 14526. (a) Not later than March 1, 1998, and
16 December 15 of each odd-numbered year thereafter, and
17 after consulting with the transportation planning
18 agencies, county transportation commissions, and
19 transportation authorities, the department shall submit to
20 the commission its interregional transportation
21 improvement program consisting of all of the following:

22 (1) Projects to improve state highways, pursuant to
23 subdivision (b) of Section 164 of the Streets and Highways
24 Code.

25 (2) Projects to improve the intercity passenger rail
26 system.

27 (3) Projects to improve interregional movement of
28 people, vehicles, and goods.

29 (b) Projects may not be included in the interregional
30 transportation improvement program without a project
31 study report or major investment study.

32 (c) Major projects shall include current costs updated
33 as of November 1 of the year of submittal and escalated
34 to the appropriate year, and shall be consistent with, and
35 provide the information required in, subdivision (b) of
36 Section 14529.

37 (d) Projects included in the interregional
38 transportation improvement program shall be consistent
39 with the adopted regional transportation plan.

40 ~~SEC. 2.—~~

1 SEC. 4. Section 14529 of the Government Code is
2 amended to read:

3 14529. (a) The state transportation improvement
4 program shall include a listing of all capital improvement
5 projects that are expected to receive an allocation of state
6 transportation funds under Section 164 of the Streets and
7 Highways Code, including revenues from transportation
8 bond acts, from the commission during the following four
9 fiscal years. It shall include, and be limited to, the projects
10 to be funded with the following:

11 (1) Interregional improvement funds.

12 (2) Regional improvement funds.

13 (b) For each project, the program shall specify the
14 allocation or expenditure amount and the allocation or
15 expenditure year for each of the following project
16 components:

17 (1) Completion of all permits and environmental
18 studies.

19 (2) Preparation of plans, specifications, and estimates.

20 (3) The acquisition of rights-of-way, including, but not
21 limited to, support activities.

22 (4) Construction and construction management and
23 engineering, including surveys and inspection.

24 (c) Funding for right-of-way acquisition and
25 construction for a project may be included in the
26 program only if the commission makes a finding that the
27 sponsoring agency will complete the environmental
28 process and can proceed with right-of-way acquisition or
29 construction within the four-year period. No allocation
30 for right-of-way acquisition or construction shall be made
31 until the completion of the environmental studies and the
32 selection of a preferred alternative.

33 (d) The commission shall adopt and submit to the
34 Legislature and the Governor, not later than June 1, 1998,
35 and April 1 of each even-numbered year thereafter, a
36 state transportation improvement program. The
37 program shall cover a period of four years, beginning July
38 1 of the year it is adopted, and shall be a statement of
39 intent by the commission for the allocation or
40 expenditure of funds during those four years. The

1 program shall include projects which are expected to
2 receive funds prior to July 1 of the year of adoption, but
3 for which the commission has not yet allocated funds.

4 (e) The projects included in the adopted state
5 transportation improvement program shall be limited to
6 those projects submitted or recommended pursuant to
7 Sections 14526 and 14527. The total amount programmed
8 in each fiscal year for each program category shall not
9 exceed the amount specified in the fund estimate
10 adopted under Section 14525.

11 (f) The state transportation improvement program is
12 a resource management document to assist the state and
13 local entities to plan and implement transportation
14 improvements and to utilize available resources in a
15 cost-effective manner. It is a document for each county
16 and each region to declare their intent to use available
17 state and federal funds in a timely and cost-effective
18 manner.

19 (g) Prior to the adoption of the state transportation
20 improvement program, the commission shall hold not less
21 than one hearing in northern California and one hearing
22 in southern California to reconcile any objections by any
23 county or regional agency to the department's program
24 or the department's objections to any regional program.

25 (h) The commission shall incorporate projects that are
26 included in the regional improvement program and are
27 to be funded with regional improvement funds, unless
28 the commission finds that the regional transportation
29 improvement program is not consistent with the
30 guidelines adopted by the commission or is not a
31 cost-effective expenditure of state funds, in which case
32 the commission may reject the regional transportation
33 improvement program in its entirety. The finding shall
34 be based on an objective analysis, including, but not
35 limited to, travel forecast, cost, and air quality. The
36 commission shall hold a public hearing in the affected
37 county or region prior to rejecting the program, or not
38 later than 60 days after rejecting the program. When a
39 regional transportation improvement program is
40 rejected, the regional entity may submit a new regional

1 transportation improvement program for inclusion in the
2 state transportation improvement program. The
3 commission shall not reject a regional transportation
4 improvement program unless, not later than 60 days after
5 the date it received the program, it provided notice to the
6 affected agency that specified the factual basis for its
7 proposed action.

8 (i) A project may be funded with more than one of the
9 program categories listed in Section 164 of the Streets and
10 Highways Code.

11 (j) Notwithstanding any other provision of law, no
12 local or regional matching funds shall be required for
13 projects that are included in the state transportation
14 improvement program.

15 (k) The commission may include a project
16 recommended by a regional transportation planning
17 agency or county transportation commission pursuant to
18 subdivision (c) of Section 14527, if the commission makes
19 a finding, based on an objective analysis, that the
20 recommended project is more cost-effective than a
21 project submitted by the department pursuant to Section
22 14526.

23 ~~SEC. 3.—~~

24 *SEC. 5.* Section 14529.8 of the Government Code is
25 amended to read:

26 14529.8. (a) Funds may be allocated by the
27 commission for each project element during the fiscal
28 year that is identified in the state transportation
29 improvement program and the funds shall be available
30 for expenditure during that fiscal year and the following
31 two fiscal years. Any funds not allocated, or allocated but
32 not encumbered, during the period specified in this
33 section, shall remain in the State Highway Account and
34 the Public Transportation Account, or be returned to
35 those accounts, as the case may be.

36 (b) Upon a finding that an unforeseen and
37 extraordinary circumstance beyond the control of the
38 responsible agency has occurred that justifies an
39 extension, the commission may extend the deadlines
40 specified in subdivision (a). The deadline extensions shall

1 not exceed the period of delay directly attributed to the
2 extraordinary circumstance and in no event be more than
3 20 months. The commission shall not grant more than one
4 extension.

5 ~~SEC. 4.—~~

6 *SEC. 6.* Section 14530.1 of the Government Code is
7 amended to read:

8 14530.1. (a) The department, in cooperation with
9 the commission, transportation planning agencies, and
10 county transportation commissions and local
11 governments, shall develop guidelines for the
12 development of the state transportation improvement
13 program and the incorporation of projects into the state
14 transportation improvement program.

15 (b) The guidelines shall include, but not be limited to,
16 all of the following:

17 (1) Standards for project deliverability.

18 (2) Standards for identifying projects and project
19 components.

20 (3) Standards for cost estimating.

21 (4) Programming methods for increases and schedule
22 changes.

23 (5) Objective criteria for measuring system
24 performance and cost effectiveness of candidate projects.

25 (c) The guidelines shall be submitted to the
26 commission by November 1, 1999. After conducting at
27 least one hearing in northern California and one in
28 southern California, the commission shall adopt the
29 guidelines by March 1, 1999.

30 (d) The guidelines shall be the complete and full
31 statement of the policy, standards, and criteria that the
32 commission intends to use in selecting projects to be
33 included in the state transportation improvement
34 program.

35 (e) The commission may amend the adopted
36 guidelines after conducting at least one public hearing.
37 The commission shall make a reasonable effort to adopt
38 the amended guidelines prior to its adoption of the fund
39 estimate pursuant to Section 14525. In no event shall the
40 adopted guidelines be amended, or otherwise revised,

1 modified, or altered during the period commencing 30
2 days after the adoption of the fund estimate pursuant to
3 Section 14525 and before the adoption of the state
4 transportation improvement program pursuant to
5 Section 14529.

6 ~~SEC. 5.—~~

7 *SEC. 7.* Chapter 4 (commencing with Section 14550)
8 of Part 5.3 of Division 3 of Title 2 of the Government Code
9 is repealed.

10 ~~SEC. 6.—~~

11 *SEC. 8.* Section 65082 of the Government Code is
12 amended to read:

13 65082. (a) A four-year regional transportation
14 improvement program shall be prepared, adopted, and
15 submitted to the California Transportation Commission
16 on or before January 5, 1998, and December 15 of each
17 odd-numbered year thereafter, updated every two years,
18 pursuant to Sections 65080 and 65080.5 and the guidelines
19 adopted pursuant to Section 14530.1, to include regional
20 transportation improvement projects and programs
21 proposed to be funded, in whole or in part, in the state
22 transportation improvement program.

23 Major projects shall include current costs updated as of
24 November 1 of the year of submittal and escalated to the
25 appropriate year, and be listed by relative priority, taking
26 into account need, delivery milestone dates, as defined in
27 Section 14525.5, and the availability of funding.

28 (b) Except for those counties that do not prepare a
29 congestion management program pursuant to Section
30 65088.3, congestion management programs adopted
31 pursuant to Section 65089 shall be incorporated into the
32 regional transportation improvement program
33 submitted to the commission by December 15 of each
34 odd-numbered year.

35 (c) Local projects not included in a congestion
36 management program shall not be included in the
37 regional transportation improvement program. Projects
38 and programs adopted pursuant to subdivision (a) shall
39 be consistent with the capital improvement program
40 adopted pursuant to paragraph (5) of subdivision (b) of

1 Section 65089, and the guidelines adopted pursuant to
2 Section 14530.1.

3 (d) Other projects may be included in the regional
4 transportation improvement program if listed separately.

5 (e) Unless a county not containing urbanized areas of
6 over 50,000 population notifies the Department of
7 Transportation by July 1 that it intends to prepare a
8 regional transportation improvement program for that
9 county, the department shall, in consultation with the
10 affected local agencies, prepare the program for all
11 counties for which it prepares a regional transportation
12 plan.

13 (f) The requirements for incorporating a congestion
14 management program into a regional transportation
15 improvement program specified in this section do not
16 apply in those counties that do not prepare a congestion
17 management program in accordance with Section
18 65088.3.

19 (g) A county may propose a yearly reserve from its
20 county share for providing funds to match federal
21 ~~Regional Surface Transportation Program funds or~~
22 ~~Congestion Mitigation and Air Quality Program funds.~~
23 ~~funds.~~

24 ~~SEC. 7.—~~

25 *SEC. 9.* Section 65086.5 of the Government Code is
26 amended to read:

27 65086.5. (a) To the extent that the work does not
28 jeopardize the delivery of the projects in the adopted
29 state transportation improvement program, the
30 Department of Transportation shall prepare a project
31 studies report for each state highway project that is
32 included on a list, developed by the department and the
33 regional transportation planning agencies, of projects
34 intended to be candidates for future state transportation
35 improvement programs. Preparation of the project
36 studies report shall be limited by the resources available
37 to the department for that work, supplemented as
38 appropriate, by regional or local resources. The project
39 studies report shall include the project-related factors of

1 limits, description, scope, costs, and the amount of time
2 needed for initiating construction.

3 (b) The Department of Transportation shall seek
4 assistance from regional and local transportation agencies
5 or other entities for the preparation of project studies
6 reports required under subdivision (a) when the report
7 cannot be completed so as to allow a project to be eligible
8 for inclusion in the upcoming state transportation
9 improvement program. Whenever project studies
10 reports are performed by an entity other than the
11 Department of Transportation, the department shall
12 review and approve the report.

13 (c) The Department of Transportation may be
14 requested to prepare a project studies report for a
15 capacity-increasing state highway project that is being
16 proposed for inclusion in a future state transportation
17 improvement program. The department shall have 30
18 days to determine whether it can complete the requested
19 report in a timely fashion. If the department determines
20 that it cannot complete the report in a timely fashion, the
21 requesting entity may prepare the report. Upon
22 submission of a project studies report to the department
23 by the entity, the department shall complete its review
24 and provide its comments to that entity within 60 days
25 from the date of submission. The department shall
26 complete its review and final determination of a report
27 which has been revised to address the department's
28 comments within 30 days following submission of the
29 revised report.

30 (d) The Department of Transportation, in
31 consultation with representatives of cities, counties, and
32 regional transportation planning agencies, shall prepare
33 draft guidelines for the preparation of project studies
34 reports by all entities. The guidelines shall address the
35 development of reliable cost estimates. The department
36 shall submit the draft guidelines to the California
37 Transportation Commission not later than July 1, 1991.
38 The commission shall adopt the final guidelines not later
39 than October 1, 1991. Guidelines adopted by the

1 commission shall apply only to project studies reports
2 commenced after October 1, 1991.

3 ~~SEC. 8.—~~

4 *SEC. 10.* Section 99317 of the Public Utilities Code is
5 amended to read:

6 99317. (a) Funds made available pursuant to
7 subdivision (b) of Section 99315 shall be appropriated to
8 the department for allocation, as directed by the
9 commission, to fund public transit capital improvement
10 projects that maintain or improve public transit service.

11 (b) Funds made available for capital outlay pursuant
12 to subdivision (a) of Section 14031.6 of the Government
13 Code and subdivision (a) of Section 99315 shall be
14 appropriated to the department, as directed by the
15 commission, solely for capital outlay improvements and
16 rolling stock on intercity rail passenger routes.

17 (c) The Legislature may amend this section, by statute
18 passed in each house of the Legislature by rollcall vote
19 entered in the journal, two-thirds of the membership
20 concurring, if the statute is consistent with, and furthers
21 the purposes of, this section.

22 ~~SEC. 9. Section 32 is added to the Streets and~~
23 ~~Highways Code, to read:~~

24 ~~32. For purposes of the state transportation~~
25 ~~improvement program, the following terms have the~~
26 ~~following meanings:~~

27 (a) ~~“Commuter passenger rail” means short-haul~~
28 ~~passenger rail service that is operated in metropolitan~~
29 ~~and suburban areas, usually characterized by reduced~~
30 ~~fares, multiple-ride, and commutation tickets and by~~
31 ~~morning and evening peak period operations.~~

32 (b) ~~“Intercity rail” means all rail passenger service,~~
33 ~~other than commuter passenger rail and other short-haul~~
34 ~~service, that is operated in metropolitan and suburban~~
35 ~~areas, usually characterized by reduced fares,~~
36 ~~multiple-ride, and commutation tickets and by morning~~
37 ~~and evening peak period operations.~~

38 (c) ~~“Urban rail transit” means passenger rail,~~
39 ~~including exclusive public mass transportation~~

~~guideways, that is not defined as either intercity rail or
commuter passenger rail.~~

~~SEC. 10.~~

SEC. 11. Section 164 of the Streets and Highways Code is amended to read:

164. (a) Funds made available for transportation capital improvement projects under subdivision (e) of Section 163 shall be programmed and expended for the following program categories:

(1) Twenty-five percent for interregional improvements.

(2) Seventy-five percent for regional improvements.

(b) Sixty percent of the funds available for interregional improvements under paragraph (1) of subdivision (a) shall be programmed and expended for improvements to state highways that are specified in Sections 164.10 to 164.20, inclusive, and that are outside the boundaries of an urbanized area with a population of more than 50,000, and for intercity rail improvements.

(c) Not less than 15 percent of the amount of funds programmed under subdivision (b) shall be programmed for intercity rail improvement projects, including separation of grade projects.

(d) Funds made available under paragraph (1) of subdivision (a) shall be used for transportation improvement projects that are needed to facilitate interregional movement of people and goods. The projects may include state highway, intercity passenger rail, mass transit guideway, or grade separation projects.

(e) Funds made available under paragraph (2) of subdivision (a) shall be used for transportation improvement projects that are needed to improve transportation within the region. The projects may include, but shall not be limited to, improving state highways, local roads, public transit, intercity rail, pedestrian, and bicycle facilities, and grade separation, transportation system management, transportation demand management, soundwall projects, intermodal facilities, safety, and providing funds to match federal Regional Surface Transportation Program funds and

1 federal Congestion Mitigation and Air Quality program
2 funds.

3 ~~SEC. 11.~~

4 *SEC. 12.* Section 164.1 of the Streets and Highways
5 Code is repealed.

6 ~~SEC. 12.~~

7 *SEC. 13.* Section 188.8 of the Streets and Highways
8 Code is amended to read:

9 188.8. (a) From the funds programmed pursuant to
10 Section 188 for regional improvement projects, the
11 commission shall approve programs and program
12 amendments, so that funding is distributed to each
13 county of County Group No. 1 and in each county of
14 County Group No. 2 during the county share periods
15 commencing July 1, 1997, and ending June 30, 2004, and
16 each period of four years thereafter. The amount shall be
17 computed as follows:

18 (1) The commission shall compute, for the county
19 share periods all of the money to be expended for regional
20 improvement projects in County Groups Nos. 1 and 2,
21 respectively, as provided in Section 188.

22 (2) From the amount computed for County Group No.
23 1 in paragraph (1) for the county share periods the
24 commission shall determine the amount of programming
25 for each county in the group based on a formula which is
26 based 75 percent on the population of the county to the
27 total population of County Group No. 1 and 25 percent on
28 state highway miles in the county to the total state
29 highway miles in County Group No. 1.

30 (3) From the amount computed for County Group No.
31 2 in paragraph (1) for the county share periods the
32 commission shall determine the amount of programming
33 for each county in the group based on a formula which is
34 based 75 percent on the population of the county to the
35 total population of County Group No. 2 and 25 percent on
36 state highway miles in the county to the total state
37 highway miles in County Group No. 2.

38 (b) Notwithstanding subdivision (a), that portion of
39 the county population and state highway mileage in El
40 Dorado and Placer Counties that is included within the

1 jurisdiction of the Tahoe Regional Planning Agency shall
2 be counted separately toward the area under the
3 jurisdiction of the Tahoe Regional Transportation Agency
4 and shall not be included in El Dorado and Placer
5 Counties. The commission shall approve programs,
6 program amendments, and fund reservations for the area
7 under the jurisdiction of the Tahoe Regional
8 Transportation Agency which shall be calculated using
9 the formula described in paragraph (2) of subdivision
10 (a).

11 (c) A transportation planning agency designated
12 pursuant to Section 29532 of the Government Code, or a
13 county transportation commission created by Division 12
14 (commencing with Section 130000) of the Public Utilities
15 Code, may adopt a resolution to pool its county share
16 programming with any county or counties adopting
17 similar resolutions to consolidate its county shares for two
18 consecutive county share periods into a single share
19 covering both periods. A multicounty transportation
20 planning agency with a population of less than three
21 million may also adopt a resolution to pool the share of any
22 county or counties within its region. The resolution shall
23 provide for pooling the county share programming in any
24 of the pooling counties for the new single share period
25 and shall be submitted to the commission not later than
26 May 1 immediately preceding the commencement of the
27 county share period.

28 (d) For the purposes of this section, funds
29 programmed shall include the following costs pursuant to
30 subdivision (b) of Section 14529 of the Government Code:

31 (1) The amounts programmed or budgeted for both
32 components of project development in the original
33 programmed year.

34 (2) The amount programmed for right-of-way in the
35 year programmed in the most recent state transportation
36 improvement program. If the final estimate is greater
37 than 120 percent of the amount originally programmed,
38 the amount shall be adjusted for final expenditure
39 estimates at the time of right-of-way certification.

(3) The engineer's final estimate of project costs, including construction engineering, presented to the commission for approval pursuant to Section 14533 of the Government Code in the year programmed in the most recent state transportation improvement program.

(4) Project costs shown in the program, as amended, where project allocations have not yet been approved by the commission, escalated to the date of scheduled project delivery.

(e) Project costs shall not be changed to reflect any of the following:

(1) Differences that are within 20 percent of the amount programmed for actual project development cost.

(2) Actual right-of-way purchase costs.

(3) Construction contract award amounts.

(4) Changes in construction expenditures, except for supplemental project allocations made by the commission.

(f) For the purposes of this section, the population in each county is that determined by the last preceding federal census, or a subsequent census validated by the Population Research Unit of the Department of Finance, at the beginning of each county share period.

(g) For the purposes of this section, "state highway miles" means the miles of state highways open to vehicular traffic at the beginning of each county share period.

(h) It is the intent of the Legislature that there is to be flexibility in programming under this section and Section 188 so that, while ensuring that each county will receive an equitable share of state transportation improvement program funding, the types of projects selected and the programs from which they are funded may vary from county to county.

(i) Commencing with the four-year period commencing on July 1, 2004, individual county share shortfalls and surpluses at the end of each four-year period, if any, shall be carried forward and credited or debited to the following four years.

1 (j) The commission, with the consent of the
2 department, may consider programming projects in the
3 state transportation improvement program in a region
4 with a population of not more than 1,000,000 at a level
5 higher or lower than a county share, when the regional
6 agency either asks to reserve part or all of its share until
7 a future programming year, to build up a larger share for
8 a higher cost project, or asks to advance an amount of the
9 share, in an amount not to exceed 200 percent of its
10 current share, for a larger project, to be deducted from
11 shares for future programming years. After consulting
12 with the department, the commission may adjust the
13 level of programming in the regional program in the
14 affected region against the level of interregional
15 programming in the improvement program to
16 accomplish the reservation or advancement, for the
17 current state transportation improvement program. The
18 commission shall keep track of any resulting shortfalls or
19 surpluses in county shares.

20 (k) Notwithstanding subdivision (a), in a region
21 defined by Section 66502 of the Government Code, the
22 transportation planning agency may adopt a resolution to
23 pool the county share of any county or counties within the
24 region, provided that each county shall receive no less
25 than 85 percent and not more than 115 percent of its
26 county share for a single county share period and 100
27 percent of its county share over two consecutive county
28 share periods. The resolution shall be submitted to the
29 commission not later than May 1, immediately preceding
30 the commencement of the county share period.

31 (l) Federal funds used for federal demonstration
32 projects that use federal funds that would otherwise be
33 available to the state shall be subtracted from the county
34 share of the county where the project is located.

35 ~~SEC. 13.—~~

36 *SEC. 14.* Section 188.10 of the Streets and Highways
37 Code, as added by Section 62 of Chapter 622 of the
38 Statutes of 1997, is amended to read:

39 188.10. (a) The commission, with assistance from the
40 department and regional agencies, shall maintain a

1 long-term balance of shares, shortfalls, and surpluses for
2 regional improvement programs.

3 (b) The balance shall include all of the following:

4 (1) Shares from the fund estimate for each state
5 transportation improvement program pursuant to
6 Section 14525 of the Government Code.

7 (2) Amounts programmed in each state transportation
8 improvement program pursuant to Section 14529 of the
9 Government Code.

10 (3) Surpluses or shortfalls due to reservations or
11 advancements pursuant to subdivision (j) of Section
12 188.8.

13 (4) Amounts deducted or added because of changes in
14 project development costs or a cost increase or savings in
15 the final engineering estimate or the final right-of-way
16 certification estimate at the time of allocation for
17 construction, pursuant to subdivisions (d) and (e) of
18 Section 188.8.

19 (5) Any supplemental project allocations during or
20 following construction.

21 (6) Amounts deducted or added because of
22 amendments to the state transportation improvement
23 program that add, delete, or change the scope and cost of
24 regional improvement projects, pursuant to Section
25 14531 of the Government Code.

26 (c) The balance through the preceding fiscal year shall
27 be made available for review by all regional agencies at
28 the time of each fund estimate, and by not later than
29 August 15 of each year.

30 (d) The commission, through the fund estimate, shall
31 restore for the next state transportation improvement
32 program the interregional improvement program level
33 specified in subdivision (a) of Section 164.

34 *SEC. 15. This act is an urgency statute necessary for*
35 *the immediate preservation of the public peace, health,*
36 *or safety within the meaning of Article IV of the*
37 *Constitution and shall go into immediate effect. The facts*
38 *constituting the necessity are:*

39 *In order that the 1998 State Transportation*
40 *Improvement Program may be adopted as soon as*

1 *possible, it is necessary that this act take effect*
2 *immediately.*

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